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EU-25

Agricultural Situation

European Commission Review of the Forest Strategy

2004

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Report Highlights:

The European Commission has presented a "Draft Commission Staff Working Document" on the implementation of the EU Forest Strategy. This document is an evaluation of the EU forest strategy that was published in 1998. The Consultation was presented in an attempt to get input from stakeholders from all over EU-25. The summary report is to be presented in the beginning of 2005.

This report presents an overview of the forestry sector in the European Union.

Includes PSD Changes: No
Includes Trade Matrix: No
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Introduction

Global environmental issues such as climate change, the protection of biodiversity and social and economic needs and ambitions have during the last decade increasingly influenced the Forestry policies in the European Union.

The European Union is one of the biggest traders and consumers of wood products in the world, and forests are one of the most important renewable resources that Europe has.

The Commission has presented a "Draft Commission staff working document" on the implementation of the EU Forestry Strategy. This draft is an evaluation of the European Commissions Forestry Strategy, which was published in 1998. The full report can be found at: http://europa.eu.int/comm/agriculture/fore/comm/649_en.pdf

This draft was presented to get participation in the process of producing the Forestry Strategy from forest sector stakeholders all over the EU-25. Comments from stakeholders will be consolidated and annexed at the end of the report.

The consultation was closed on September 22, 2004. The European Commission is currently processing the results of the consultation and a summary report will be finalized within a couple of weeks in the beginning of 2005.

It was the growing concern about the coherence between the forest policies in the Member States (MS) and forest-related activities at the EU level, as well as the rising profile of forests in international policy debates and initiatives on sustainable development that were the main driving forces behind the development of an EU forestry strategy.

The EU Forest Sector

Forests and other wooded land cover approximately 160 million hectares, or 35 percent of the EU. Some 117 million ha of this are available for wood supply.

In the EU-15, about 35 percent of the forests and other wooded land were public and about 65 percent was in private ownership. However, with the Enlargement the portion between areas of publicly and privately owned forests have changed to approximately 40 percent public and 60 percent private forests.

The average size of a public owned forest in the EU is more than 1000 ha while the privately owned forests have an average size of 13 ha.

The forest sector is one of the most important economic sectors within the EU. The sector employs about 3.35 million people, and produces an annual production value of about €355.6 billion (2001). Forestry and forest based and related industries comprise: wood working, cork, pulp, and paper and paperboard manufacturing. Cork is the most important non-wood forest product in Europe with 1.7 million ha of cork oak forests accounting for 80 percent of the worldwide production of cork.

Areas of forest and other wooded land in EU and candidate countries ('000ha)

Country	Total Area of forest and other wooded land	Forest	Forest available for wood supply	Not available for wood supply	Other wooded land
Austria	3,924	3,840	3,352	488	84
Belgium	672	646	639	7	26
Denmark	538	445	440	5	93
Finland	22,768	21,883	20,675	1,208	885
France	16,989	15,156	14,470	686	1,833
Germany	10,740	10,740	10,142	590	0
Greece	6,513	3,359	3,094	265	3,154
Ireland	591	591	580	11	0
Italy	10,842	9,875	6,013	3,844	985
Luxembourg	89	86	86	0	3
The Netherlands	339	339	314	25	0
Portugal	3,467	3,383	1,897	1,846	84
Spain	25,984	13,509	10,479	3,030	12,475
Sweden	30,259	27,264	21,236	6,028	2,995
United Kingdom	2,489	2,496	2,108	361	20
Cyprus	280	117	43	74	163
Czech Republic	2,630	2,630	2,559	71	0
Estonia	2,162	2,016	1,932	84	146
Hungary	1,811	1,811	1,702	109	0
Latvia	2,995	2,884	2,143	471	111
Lithuania	2,050	1,978	1,686	292	72
Malta	0	0	0	0	0
Poland	8,942	8,942	8,300	642	0
Slovak Republic	2,031	2,016	1,706	310	15
Slovenia	1,116	1,099	1,035	64	67
TOTAL EU-25	160,271	137,060	111,901	20,159	23,211
Bulgaria	3,903	3,590	3,124	466	314
Romania	6,680	6,301	5,617	684	379
Turkey	20,713	9,954	8,635	1,319	10,759

Source: TBFRA 2000 (UNECE/FAO)

Trade

The European Union is one of the biggest traders and consumers of forests products in the world, with a positive trade balance overall. Supplies of wood-based raw materials of adequate quality can be imported at competitive prices, and the EU is a net importer of these, mostly from the Russian Federation. Pulp is mainly imported from North and South America.

Roundwood and processed wood products flows EU-25, 2002

Category	Production	Imports	Exports	
Roundwood*	350,263	34,503	3,200	'000m ³
Sawnwood	95,408	18,519	10,727	'000m ³
Wood-based panels	53,774	6,344	6,282	'000m ³
Wood pulp	37,113	8,774	1,884	'000 mt
Paper and paperboard	89,912	7,855	14,385	'000 mt

Source: EUROSTAT * Roundwood volumes are "under bark"

Recent Trends in EU Forest Policy

The Treaties on European Union make no provision for a comprehensive common forestry policy. However, the last five years have been marked by changes in forest policy, legal frameworks and institutional settings in the forest sectors in the EU countries. In general Member States are bringing national forest policy in line with broad EU objectives, as stated in the EU Forestry Strategy and relevant directives, regulations and programs such as: the rural development program, the habitats and birds directives and the directive on the use and marketing of forest reproductive material as well as the energy directive and the Environment Action Plan. This is done within the national forest programs that each member state develops.

Changes have also taken place in the structure of the forest administration towards decentralization, with more emphasis given to sub-national or regional administrations, or, in some cases towards the privatization of public forest services.

There is growing emphasis on nature conservation and the promotion of biological diversity of forest ecosystems in the European Union. European policy makers are confronted with growing expectations to increase the rate of protected areas for nature conservation, and increase the diversification of species composition, for example by favoring an uneven-aged structure of forests stands, elimination or at least reducing clear cuttings and extending selective harvesting systems, as well as diminishing the use of chemicals in forests, enhancing natural regeneration, planting indigenous species and managing forest fires.

Forest Law Enforcement, Governance and Trade (FLEGT)

FLEGT is the European Unions response to the problem of illegal logging and trade in associated timber products. In 2003 a FLEGT action plan, which sets out a range of measures, was adopted. The most important measure is building voluntary partnerships between the EU and timber-producing countries to prevent illegally produced timber from entering the EU-market.

Implementation of the 2000-2006 programs in EU-15

For the current time period, two funding sources are available for Rural Development measures: The European Agricultural Guidance and Guarantee Fund (EAGGF). A total amount of €4.8 billion has been allocated to forestry measures in the EU-15. This amount represents about 10 percent of the total budget allocated for Rural Development over that period, Leader+¹ excluded.

¹ Leader+ is an initiative financed by EU structural funds. It is designed to help rural actors consider the long-term potential of their local region. Encouraging the implementation of integrated, high quality and original strategies for sustainable development. It has a strong focus on partnership and networks of exchange of experience.

Financial forecast of the rural development programs 2000-2006 and forestry measures within the program: EU contribution under EAGGF (Leader+ excluded)

Country	EAGGF budget for Rural Development, (€ million)	EAGGF budget for Forestry Measures, (€ million)		Percent of total RD budget
		Afforestation	Other Forestry Measures	
Austria	3,249.4	8.1	78.6	2.6
Belgium	401.8	6.1	18.0	6.0
Denmark	336.4	35.3	6.6	12.4
Finland	2,393.3	23.3	40.7	2.6
France	5,762.6	37.6	238.2	4.7
Germany	8,661.8	110.0	299.4	4.7
Greece	3,253.7	57.8	130.0	5.7
Ireland	2,558.3	350.8	31.5	14.9
Italy	7,493.7	560.1	341.2	12.0
Luxembourg	91.0	0.1	1.1	1.2
The Netherlands	427.0	12.2	5.4	4.1
Portugal	3,552.5	345.9	341.1	19.3
Spain	8,516.0	663.6	832.8	17.5
Sweden	1,232.3		3.6	0.3
United Kingdom	1,556.0	175.9	51.5	14.6
Total EU-15	49,485.1	2,386.8	2,419.9	9.7

Source: European Commission

Regarding the financial forecast of the rural development programs 2000-2006, and forestry measures within the program, no numbers are available for the New Member States. However, forestry measures have been included in the Special Accession Program for Agriculture and Rural Development (SAPARD) programs of: Estonia, Latvia, Lithuania, the Slovak Republic, Romania and Bulgaria, for a total amount of €167.5 million, representing about five percent of the EU contribution to SAPARD.

The principal activities supported by SAPARD were production oriented, including investment in forest infrastructure, afforestation and the development of forest nurseries.

The SAPARD program was targeted at the private forest sector, however in most of these countries the private sector emerged only slightly more than a decade ago. Many private forest owners, or associates, do not have the necessary experience or capacity to apply to projects under SAPARD.

Forestry measures in the SAPARD programs 2000-2006

Country	SAPARD funding for forestry-related activities		Main Activities
	€ Million	Percent of planned total funding	
Bulgaria	30	8	Forest plantations, non-commercial thinnings, Afforestation
Czech Republic	0	0	NA
Estonia	1.1 -1.3	1-3	Diversification of activities
Hungary	0	0	NA
Latvia	4.6	3	Development of forest tree nurseries, Afforestation
Lithuania	7.7	4	Afforestation, improvement of infrastructure
Poland	0	0	NA
Romania	108.3	10	Forest Roads, Afforestation, Nurseries
Slovak Republic	9.7	8	Forest Nurseries; equipment for forest work
Slovenia	0	0	NA
Total	167.5	5	

Source: European Commission

Forest Certification

The forest certification is one of the most important tools towards sustainable forestry and it is also considered to contribute to improve consumer awareness of sustainable forestry. Most of the forests that are certified in the EU are under the scheme of the Forest Stewardship Council, [FSC](#) or the Program for the Endorsement of Forest Certification schemes, [PEFC](#).

The EU-market for products designated as originating in certified forests is still quite small, concentrated in only a few member states, and focused on high quality and visible market segments such as window frames, furniture and graphic papers.

The Forest Stewardship Council (FSC) is an independent, not for profit, non-government organization based in Bonn, Germany, that provides standard setting, trademark assurance and accreditation services for companies and organizations interested in responsible forestry.

FSC forest management standards are based on FSC's 10 Principles and Criteria of responsible forest management.

PEFC is a global umbrella organization for the assessment of and mutual recognition of national forest certification schemes developed in a multi-stakeholder process. These national schemes build upon the inter-governmental processes for the promotion of sustainable forest management, a series of on-going mechanisms supported by 149 governments in the world covering 85% of the world's forest area.

PEFC and FSC Certification data for EU-25

Scheme Country	PEFC Certified Forests (ha)	FSC Certified Forests (ha)
Austria	3,924,000	4,044
Belgium	206,524	5,999
Denmark	8,827	372
Finland	22,298,165	93
France	3,266,589	15,325
Germany	6,892,983	501,593
Italy		11,411
Ireland		438,000
Luxembourg		
The Netherlands		127,056
Portugal		
Spain	254,167	1,135
Sweden	3,756,624	10,331,660
United Kingdom	9,125	1,152,924
Total EU-15	40,618,004	12,589,612
Czech Republic	1,932,045	16,229
Estonia		1,063,555
Hungary		188,687
Latvia	27,698	1,685,932
Lithuania		458,898
Poland		6,192,498
Slovakia		43,659
Slovenia		
Total EU-10	1,959,743	9,649,458
Total EU-25	42,577,747	22,239,070

Individual Forestry Measures in the Member States

There is no consolidated overview of forest measures carried out in the Member States since programs are currently at different levels of implementation. These are some ongoing measures:

- Investments to improve the multifunctional role of forests.

This includes

- Afforestation
- Investments to improve economic, ecologic and social value
- Investments to improve and rationalize harvesting, processing and marketing of forestry products.
- Promotion of new outlets for the use and marketing of forestry products.
- Establishments of associations that will help their members to improve sustainable and efficient management of their forests.
- Restoring forestry production potential protection.

- Afforestation of agricultural land.

This measure has a system of EU aid for forestry measures with four main objectives.

- To accompany changes to be introduced under market organization rules.
- To contribute towards an eventual improvement in forest resources.
- To contribute towards forms of countryside management more compatible with environmental balance.
- To combat the greenhouse effect and absorb carbon dioxide.

About one million hectares of agricultural land were afforested during 1994-1999. Of this area 56.8 percent was planted with broadleaf species, particularly cork oak and evergreen oak. 32.1 percent were planted with conifers and about 4 percent with fast growing species. The biggest afforestation was made in Spain where 35,000 hectares were planted per year.

- Improvement of forest protection values.

- Aiming at maintaining and improving the ecological stability of forests where the protective and ecological role of the forests are of public interest, and where the costs of maintenance and improvement measures for the forestry exceed the income from forestry. This measure is not being used a lot due to heavy administrative procedures, and to the lack of tradition in establishing contracts between forest owners and administrations.

- Training of forest holders.

Vocational training of farmers and forest holders and other persons involved in forestry activities for the development and application of sustainable management, methods and practices.

The main objective of research in the forest sector has been to improve the sustainable production and rationalize utilization, with a special emphasis on new technologies, including biotechnology. There is also focus on working towards reaching the goals of the Kyoto protocol.

Conclusions

The European Forestry strategy is to provide a reference framework for forestry activities in the EU, however the lack of specific objectives and monitoring mechanisms for its implementation have made it difficult to establish efficient coordination and some Member states have been dissatisfied with the insufficient involvement in the decision making process, which is one of the reasons why this stake-holder consultation has been produced.

In the UK, who imports about 85 percent of its timber, the Government is working actively towards sustainable forestry and against illegal logging. Central Government Departments in England are required to actively seek to purchase their timber and timber products from sustainable and legal sources. As of May 2005, UK Government departments will be advised to accept certificates from five schemes of assurance that the timber is coming from legal timber sources. These schemes are FSC, Canadian Standard Association (CSA), Sustainable Forestry Initiative (SFI), Malaysian Timber Certification Council (MTCC) and PEFC. Of these five, only FSC and CSA are considered to provide assurance that the timber comes from sustainable sources. The other three would not be sufficient of their own to provide assurance of sustainable sources but they could be, if accompanied by additional confirmation.

A ban on the import of illegally logged timber can only be imposed on EU level and the UK government is now seeking to promote the adoption of timber procurement policies for the whole of the public sector throughout the European Community.

Also in the Netherlands, where imports meet 90 percent of the domestic needs, both product certificates (for wood products) and process certificates (for the management of forests and the management of harvesting, trading and processing) are being increasingly common. These kinds of actions are also taken in other Member States.

With Europe being one of the biggest traders and consumers of forest products, the increasing focus on sustainable issues and certifications in the Forestry Strategy might have impact on international trade.

The main part of the information in this report has been transcribed from the: [Draft Commission staff working document on the implementation of the EU-Forestry Strategy.](#)

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